

McHenry County Sheriff's Office

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Negotiating New ICE IGA Per Diem Rate

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Background/The Summerill Group LLC's Experience Negotiating eIGAs

- The complexity of calculating, submitting, and negotiating a new ICE IGA per diem rate and hospital / guard service rate has resulted in local governments seeking assistance from professionals and consultants -- such as The Summerill Group, PLLC.
- TSG has been assisting local governments negotiate new IGAs since 2007.
- TSG has negotiated 39 IGAs in 13 states.
 - Pulaski County (AR) Sheriff's Office --\$10 USMS per diem rate increase; Nueces County (TX) Sheriff's Office --\$14 USMS per diem rate increase; St. Clair County (IL) Sheriff's Office --\$11 USMS per diem rate increase; Calhoun County (MI) Sheriff's Office --\$12 USMS per diem rate increase.

Background on ICE IGA

- ICE receives no brick and mortar appropriated funds.
- ICE historically uses IGSAAs to contract with local governments near JPATS Airlift Operations.
- ICE operates Deport Center in Chicago, Illinois (FBOP, Illinois, Wisconsin, Indiana).
- ICE is currently seeking 1,500 bed in Chicago area in order to achieve economies of scale.
 - Consolidation of bedspace.
 - Cost savings.
- ICE currently reducing number of detainees in effort to maintain FY 2012 CR.

Background on McHenry County Relationship With ICE

- McHenry County Sheriff's Office has housed ICE prisoners since 2006. The County received a \$6.5 M DOJ CAP Grant in 2004, which expires in 2014.
- On April 7, 2008, Sheriff Nygren negotiated a new per diem rate of \$85.00 and transportation rate of \$34.00. The ICE population steadily increased annually through FY 2011.
- McHenry County has been the central detention facility for ICE prisoners processing through the Chicago FOD; Chicago Deport Center; and undergoing the EOIR process.
- ICE utilizes facilities in Wisconsin, Missouri, Kentucky, and Kansas. ICE also utilizes Jefferson County Jail.

Surrounding Per Diem Rates Housing of ICE prisoners

| Comparison of Local Per Diem Rates | | Per Diem / Trans. Rate |
|------------------------------------|--|---------------------------|
| McHenry County, Illinois | | \$ 85.00 / \$34.00 |
| Kenosha County, Wisconsin | | \$ 70.00 / \$33.82 |
| Dodge County, Wisconsin | | \$ 65.00 / \$26.00 |
| Jefferson County, Illinois | | \$ 63.30 / \$29.00 |

Cost Benefit Analysis

County Share of Cost based on per diem rate

| Unreimbursed County Cost | |
|--------------------------|-------------|
| Negotiated Per Diem rate | Per diem |
| 85.00 | (46.38) |
| | Total |
| | (3,065,224) |

Average Full Cost of a Prisoner Day at the Facility

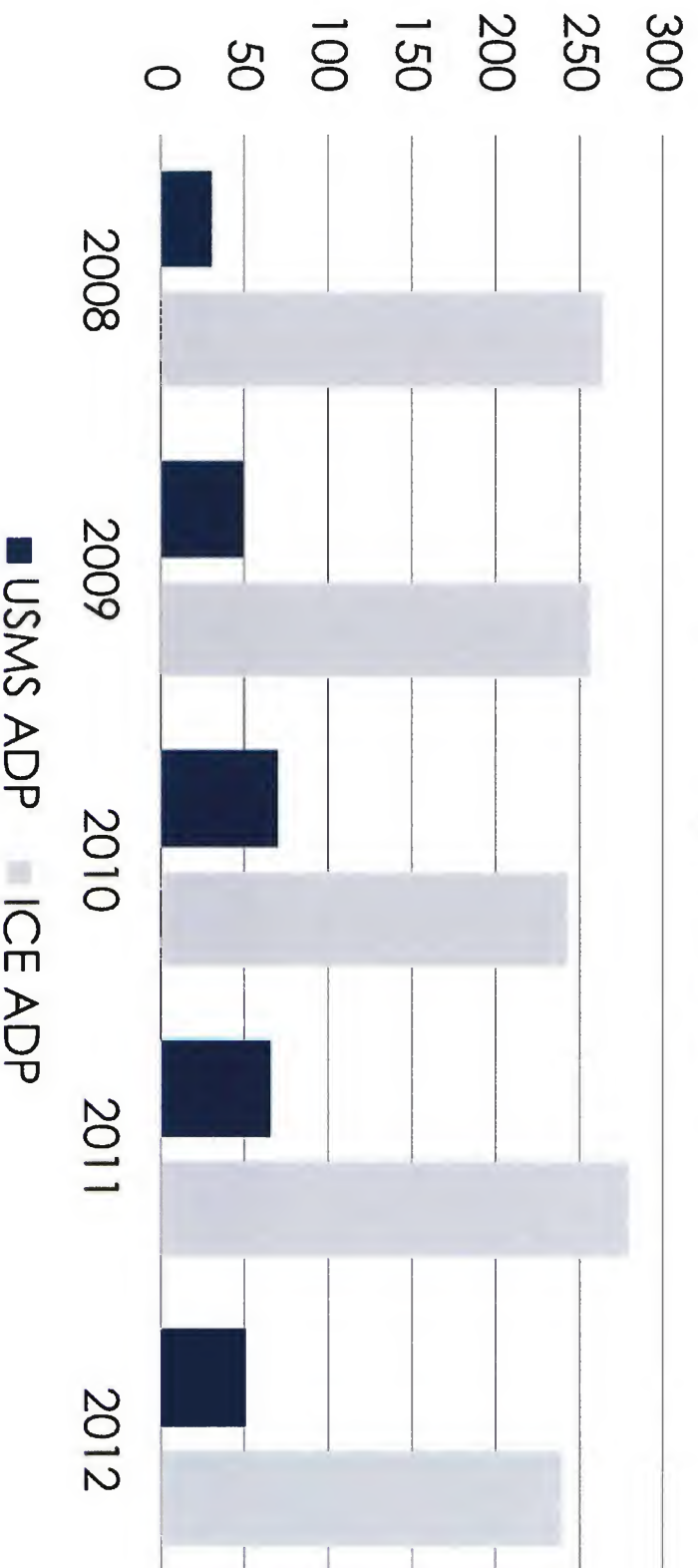
| Total Cost | Avg # of Prisoners | # of days | Per diem |
|--------------|--------------------|-----------|----------|
| \$24,001,776 | 500.52 | 365 | \$131.38 |

Average Daily Population – McHenry County Jail Federal Prisoners

| YEAR | USMS (bed days) | USMS ADP | USMS | ICE (bed days) | ICE ADP | ICE | TOTAL REVENUE |
|--------------|-----------------------|-------------|--------------------|----------------------|------------|---------------------|---------------------|
| 2008 | 1,1520 | 31 | \$979,200 | 9,6874 | 265 | \$8,234,290 | \$9,213,490 |
| 2009 | 1,8312 | 50 | \$1,556,520 | 9,3774 | 257 | \$7,970,790 | \$9,526,310 |
| 2010 | 2,5416 | 70 | \$2,160,360 | 8,9025 | 244 | \$7,567,125 | \$9,727,485 |
| 2011 | 2,4060 | 66 | \$2,045,100 | 10,2457 | 281 | \$8,708,845 | \$10,753,945 |
| 2012 | 1,8439 | 50 | \$1,567,315 | 8,7859 | 240 | \$7,467,985 | \$9,035,300 |
| TOTAL | 97747 | 54 | \$8,308,495 | 46,9989 | 257 | \$39,949,035 | \$48,257,530 |

Average Daily Population – McHenry County Jail Federal Prisoners

Average Daily Population



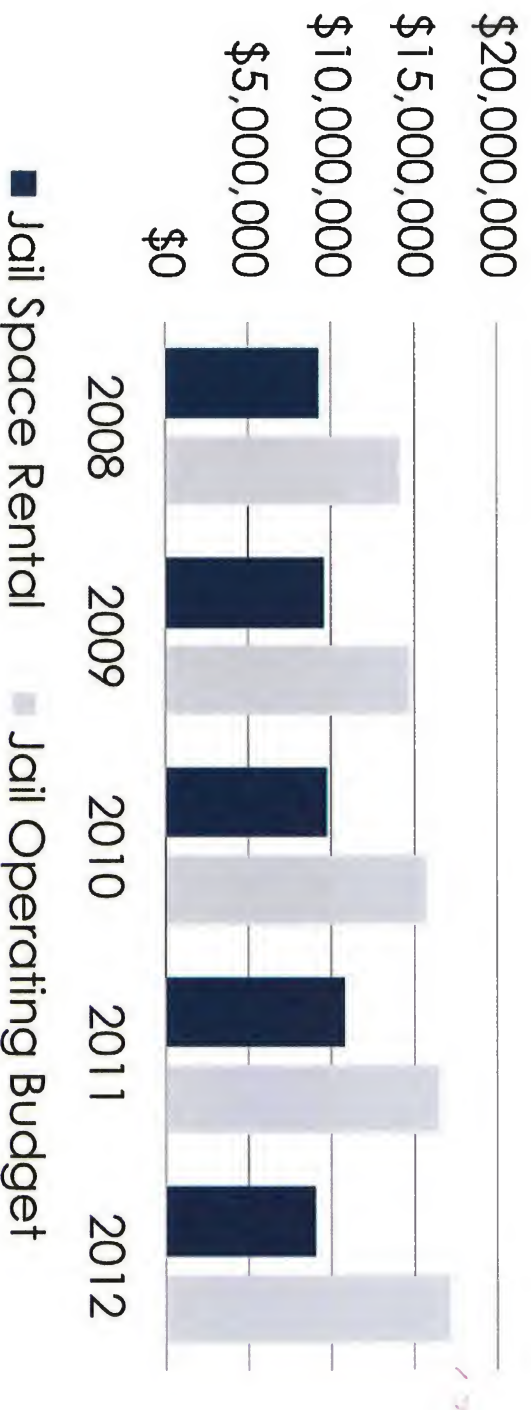
Jail Space Revenue vs. Jail Ops Budget

McHenry County Jail

Federal Prisoners

| Year | USMS (bed days) | ICE (bed- days) | FED Total (bed Days) | Jail Space Rental | Jail Operating Budget | Jail Space Rental vs Jail Operating Budget |
|---------------|-----------------------|-----------------------|-------------------------------|----------------------|-----------------------------|--|
| 2008 | 11520 | 96874 | 108394 | \$9,213,490 | \$14,191,535 | 64.92% |
| 2009 | 18312 | 93774 | 112086 | \$9,527,310 | \$14,829,093 | 64.25% |
| 2010 | 25416 | 89025 | 114441 | \$9,727,485 | \$15,876,489 | 61.27% |
| 2011 | 24060 | 102457 | 126517 | \$10,753,945 | \$16,606,093 | 64.76% |
| 2012 | 18439 | 87859 | 106298 | \$9,035,300 | \$17,202,207 | 52.52% |
| Totals | 97747 | 469989 | 567736 | \$48,257,530 | \$78,705,417 | 61.31% |

Jail Space Revenue vs. Jail Ops Budget McHenry County Jail Federal Prisoners



Strategy For Negotiations With ICE

- Calculation of new Federal per diem rate;
- Increase Federal population at McHenry Jail; and
- Coordination / Negotiations.
 - ICE Chicago FOD
 - ICE DRM
 - ICE AM/DM.

Step 1 - Build a New Federal Per Diem Rate

- OMB Circular A-87: Cost Principles for State, Local and Indian Tribal Governments.
- What portion of the allowable costs are allocable to housing federal prisoners?
 - This requires the use of different allocation bases, depending on the particular type of cost.
 - This often also requires a multi-step allocation process for administrative costs centers which provide services for each other.

Sheriff's Office Administration

Professional Standards --- Communications & Technology
Property/ Evidence --- Records & Information Services

Custody Operations

Central Intake/Booking
Corrections Officer Training
Compliance
Inmate Management

Field Operations

Central Command
Law Enforcement Officer Training
Internal Investigation
SWAT

Detention Facility

Salaries & Benefits
Care & Treatment
Facility/Office
Vehicle Operations
Safety & Sanitation
Insurance
Equipment Depreciation

Road Patrol

Salaries & Benefits
Facility/Office
Vehicle Operations
Insurance
Equipment

Investigations

Salaries & Benefits
Facility/Office
Vehicle Operations
Insurance
Equipment



| | | | |
|---------------------------------|------------------|-----------------------------|--------------------------|
| | | County Centralized Services | |
| | | | |
| Sheriff's Office Administration | | | |
| Custody Operations | Field Operations | | |
| | | | |
| Detention Facility | | Road Patrol | Other County Departments |
| | | Investigations | |
| | | K-9 Program | |
| | | | |

Step 2 – Increase ICE Population

- Minimum Guarantee
 - ICE historically includes a minimum guarantee only in private prison contracts.
 - However, ICE provided a guarantee to Sussex County Sheriff, NJ.
 - 85 ICE detainees each month for a period of 12 months from date of award.
- Two Tiered Per Diem Rate
 - Determine price point at which economies of scale kick in.
 - Jail space revenue vs. jail operations budget.
 - Jefferson County Detention Facility (\$63.30 per diem / \$29.00 transport).

Step 3 – Negotiations With ICE

■ ICE HQ

- DRM – Tae Johnson, Assistant Director Custody Management

- AM/DM - Matt Marshman, Assistant Director

■ Chicago FOD

- Ricardo Wong, Director

- COTR



Projected Time Line

- Jail operating cost review - April/ May 2013;
- Amend McHenry County Sheriff's proposal to ICE no later than May 31, 2013;
- Conduct negotiations with ICE in June 2013; and
- Award of a new IGSA for McHenry County no later than July 31, 2013.

Why Hire Summerill Group, LLC?

- Broad experience based on successfully assisting Sheriff's across the country, including the largest Sheriff's Offices in the country, to negotiate federal per diem rates.
- A proven track record of developing per diem rates under the OMB Circular A-87, the Detention Network Services, and compiling a detailed record to support the calculated rates.
- Both the experience and legal knowledge necessary to provide step by step support during the entire procurement process to respond to all inquiries and arguments from ICE to show that a Sheriff's proposed per diem rate is fair and reasonable.



Contact Information

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